

# **INVESTING IN PEOPLE**

**Strategy Paper for the Thematic Programme 2007–2013**

## Table of contents

<b>1. EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>2. INTRODUCTION .....</b>	<b>5</b>
<b>3. ANALYSIS OF THE INTERNATIONAL SITUATION, THE EC POLICY FRAMEWORK, NEEDS AND OTHER DONORS' ACTIVITIES .....</b>	<b>6</b>
<b>4. OPERATIONS FINANCED IN THE PAST AND LESSONS LEARNED .....</b>	<b>8</b>
<b>5. RESPONSE STRATEGY .....</b>	<b>10</b>
5.1. GOOD HEALTH FOR ALL.....	11
5.2. EDUCATION, KNOWLEDGE AND SKILLS .....	12
5.3. GENDER EQUALITY.....	13
5.4. OTHER ASPECTS OF HUMAN AND SOCIAL DEVELOPMENT (EMPLOYMENT AND SOCIAL COHESION, CHILDREN, YOUTH AND CULTURE) .....	14
<b>6. THE MULTI-ANNUAL INDICATIVE PROGRAMME FOR 2007–2010 .....</b>	<b>16</b>
6.1. GOOD HEALTH FOR ALL.....	17
6.2. EDUCATION, KNOWLEDGE AND SKILLS .....	18
6.3. GENDER EQUALITY.....	20
6.4. OTHER ASPECTS OF HUMAN AND SOCIAL DEVELOPMENT (EMPLOYMENT AND SOCIAL COHESION, CHILDREN, YOUTH AND CULTURE) .....	20
<b>7. ANNEXES .....</b>	<b>21</b>

## **List of abbreviations**

<b>ACP</b>	African, Caribbean and Pacific states
<b>EDF</b>	European Development Fund
<b>ENPI</b>	European Neighbourhood Policy Instrument
<b>GFATM</b>	Global Fund to Fight AIDS, Tuberculosis and Malaria
<b>ILO</b>	International Labour Organization
<b>MDGs</b>	Millennium Development Goals
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>SRHR</b>	Sexual and Reproductive Health and Rights
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>VET</b>	Vocational Education and Training
<b>WHO</b>	World Health Organization

## ***1. EXECUTIVE SUMMARY***

The thematic programme “Investing in People” has its legal base in Regulation (EC) No 1905/2006 of the European Parliament and the Council establishing a financing instrument for development cooperation (DCI)<sup>1</sup>. It pursues a broad approach to development, poverty reduction and social cohesion. It covers a range of cross-cutting issues that can be addressed effectively only through simultaneous, coherent, coordinated and yet focused action. For this reason, “Investing in People” will support activities under four main pillars covering all the priorities outlined in Article 12 of the DCI and as reflected in the European Consensus and the Communication on the thematic programme for human and social development. Driven by the ambition to help the EC's partner countries to achieve the Millennium Development Goals (MDGs)<sup>2</sup>, the four pillars are (1) good health for all, (2) education, knowledge and skills, (3) gender equality and (4) other aspects of human and social development (employment and social cohesion, children, youth and culture).

Under the health pillar, the thematic programme will focus on the human resources crisis in health-care systems, which significantly limits the ability of many of the EC's partner countries to provide sufficient, effective and equitable health-care services. Particular attention will be paid to addressing leading poverty-related diseases - HIV/AIDS, malaria and tuberculosis – that severely undermine overall human and social development efforts. The EC will allocate a significant proportion of all thematic funds to programmes and initiatives improving access to prevention, treatment, care and support around the world. This major contribution will be further strengthened by the EC's pivotal leadership, fund-mobilisation and monitoring role in the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). Other health priorities will include a focus on improving access to public goods and addressing neglected or emerging diseases. Given the EC's integrated and coordinated approach to HIV/AIDS and sexual and reproductive health and rights of women, the programme will also support activities designed to stimulate implementation of the Cairo agenda.

In the area of education, knowledge and skills, the main focus will be on promotion of universal access to quality primary education by stimulating higher enrolment rates and promoting equal access to quality primary education among boys and girls and children from hard-to-reach groups. In addition, the thematic programme will focus on creating conditions for improving access to vocational and skills training, as a way of contributing to eradicating poverty in the EC's partner countries.

The gender equality pillar, with a focus on empowerment of women and improvement of literacy among adult women, will supplement activities in the other three areas, where addressing gender concerns and issues should be part of the relevant thematic action. This pillar will focus in particular on ensuring that gender equality advocates have a voice in formulating development programmes and are progressively included in the budget and

---

<sup>1</sup> OJ L 378, 27.12.2006, p. 41. Regulation (EC) No 1905/2006 of the European Parliament and the Council of 18 December 2006 establishing a financing instrument for development cooperation.

<sup>2</sup> Specifically MDGs 1, 2, 3, 4, 5, 6, 7 and 8.

decision-making processes, based on ownership for all – one of the core principles of the new aid procedures.

The fourth and final pillar of the thematic programme – other aspects of human and social development (employment and social cohesion, children, youth and culture) – will cover advancement of employment, decent work and social cohesion in the EC's partner countries and will also create a platform to support action and initiatives on youth, children's rights and prevention of all forms of child labour, trafficking, violence and other forms of exploitation. This area will also include support for activities to protect and promote cultural diversity.

In line with the DCI, the thematic programme will support activities that supplement EC-supported geographic cooperation. Specifically, the programme will focus on strengthening existing country and regional programmes by supporting knowledge-generating, policy-developing, innovation-stimulating and capacity-building activities, while also offering funding through global initiatives for direct action in countries with critical MDG indicators, where such thematic action can effectively yield positive results towards achieving the MDGs.

Funding will be disbursed via the mechanisms most appropriate to the individual fields of action, including contributions to global partnerships, direct agreements, tenders and calls for proposals focusing mainly on support for development of innovative policy measures, exchanges of good practice and capacity-building, support for development and introduction of global goods and implementation of specific pilot programmes. The programme also proposes development of new kinds of aid that may be used for pooling resources for large-scale social action and providing awards or other forms of EU recognition. Geographically, the thematic programme covers all developing countries, giving priority to those in most need of EC assistance to achieve the MDGs. The European Neighbourhood countries should benefit from funding in line with article 38 of the DCI<sup>3</sup>.

## **2. INTRODUCTION**

The focus of the thematic programme “Investing in People” is defined by the policy objectives set out in Article 12 of the DCI, which are equally reflected in the European Consensus<sup>4</sup> and in the Communication on the thematic programme for human and social development. The programme consolidates previously disparate regulations, budget lines and other EC action in the area of social and human development with the goal of strengthening the impact of EC action and helping the EC's partner countries to achieve the relevant MDGs.

The focus, priorities and proposed directions for implementing the thematic programme have been defined through consultation with EC departments, EC country desks and delegations, international organisations and civil society. “Investing in People” has also taken into account activities financed by the EC under previous programmes. This broad consultation and reflection on previous successes and failures guarantees that the areas identified and action

---

<sup>3</sup> As outlined in Article 38 of the DCI, an indicative amount of €465 million has been foreseen for all thematic programmes to finance activities that benefit ENPI countries.

<sup>4</sup> Cf. notably paragraphs 11 and 12 of the common objectives; Joint Statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission “The European Consensus on Development”.

proposed are in line with overall objectives set out in the DCI and provide added value. In addition, the consultation process also provides an assurance that the action under “Investing in People” will not duplicate but will supplement the action taken by other international donors.

“Investing in People” is an instrument for supplementary action designed to underpin country and regional programmes where they exist while acting as a catalyst of change in countries where they do not. It may also play role in the most fragile states and post-conflict countries by building on initiatives financed as part of the humanitarian assistance. The programme's added value lies in its ability to support and shape the policy agenda for global initiatives of direct benefit to the EC's partner countries. It provides a global platform for identifying and exchanging experience, innovation and best practice between countries facing similar social and human development challenges as well as with countries at different level of development, as to address severe social and human development needs in the countries with the most critical MDG indicators. In order to deliver on its potential, “Investing in People” will require creativity and an opportunistic approach to implementation plus close cooperation between EC departments and delegations. The exact nature of this cooperation will depend on the types of activities supported under the programme.

In line with the Art. 12 of the DCI and, the thematic programme will cover four main priority areas with the emphasis on health, education, gender equality and other aspects of human and social development. In terms of implementation, it is recognised that, by nature, the thematic programme supplements the geographic cooperation and will focus on strengthening the country approach by contributing to global or regional partnerships, direct agreements, tenders and calls for proposals focusing mainly on supporting development of innovative policy action, exchanges of good practice and capacity-building, support for development and introduction of global goods, and implementation of specific pilot programmes. The overall action should be underpinned by synergy among interventions supported under "Investing in People", other thematic programmes and the EC research framework programmes.

### **3. ANALYSIS OF THE INTERNATIONAL SITUATION, THE EC POLICY FRAMEWORK, NEEDS AND OTHER DONORS' ACTIVITIES**

The ongoing efforts of the international community to eradicate poverty and stimulate an improvement in the level of human and social development have brought positive results in several parts of the world but have yet to make a strong universal impact in all developing countries<sup>5</sup>. Unless more funding is made available and those countries that are currently furthest away from achieving their MDGs receive a significant level of additional assistance, many of the EC's partner countries are unlikely to achieve all the MDGs by 2015.

The uneven progress in improving human and social development around the world is most visible in the area of basic social services. The indicators of populations' access to health and education services – such as child and maternal mortality rates, HIV/AIDS, malaria and TB infection and mortality rates, and basic school enrolment rates – demonstrate that the situation is particularly worrying in sub-Saharan Africa and in Southern Asia. Sub-Saharan Africa, with only 20 percent of the world's young children, accounts for 50 percent of all deaths

---

<sup>5</sup> The Millennium Development Goals Report 2006, United Nations, New York, 2006.

among young children and almost half of the world's maternal deaths. Similarly, the same two regions suffer most from the impact of HIV/AIDS, malaria and TB. Although the reasons for this situation are complex, the main problem stems from the inability of countries to provide sufficient and equitable health-care services due to the crisis in their financial and human resources as well as lack of attention to environmental and preventive measures.

Unlike health, developments in the area of education have generally been more positive. Net enrolment rates in primary education have increased to 86 percent in the developing world, ranging from 95 percent in Latin America and the Caribbean to 64 percent in sub-Saharan Africa, where in many countries still less than half the children of primary-school age are enrolled in school. Unfortunately, the overall increase in the number of children enrolled in basic education has not been equally distributed between urban and rural populations and between boys and girls. Globally more than one in five girls of primary-school age are not in school, compared to about one in six boys. Oceania, Western Asia and Southern Asia are the regions where the gender gap is most evident. The wide disparity between boys' and girls' enrolment rates in sub-Saharan Africa and Southern Asia, where almost 80 percent of the world's out-of-school children live, is particularly worrying. Another cause for concern is the quality of education that those enrolled actually receive.

The gender gap in primary education is only one indicator of persisting wider inequality between men and women and lack of female empowerment in developing countries. Although women make up an increasing share of the world's labour force – over a third in all regions except Southern and Western Asia and Northern Africa – they remain at a disadvantage in securing paid jobs and equal social and legal rights in many societies. Wage differentials, occupational segregation in the informal and subsistence sectors and the often discriminatory nature of the legislative framework limit women's economic advancement. While women's political participation, and thus potential to stimulate systemic change, has increased significantly over the last decade, there are still striking differences between regions. There have been encouraging signs in Latin America and the Caribbean, where women now hold 20 percent of parliamentary seats, but women's national political representation remains very low in Oceania, Northern Africa and Western Asia.

Poor health, lack of opportunities to receive quality basic education and gender inequality are all signs of poverty, which continues to afflict large numbers of people in developing countries, with the figures highest in sub-Saharan Africa and Southern Asia. In most developing countries the majority of the population depends on low-paid and poorly protected jobs in the informal economy. Underemployment and the increasing number of working poor, especially women and young people, together with persisting child labour are some of the major challenges that developing countries face. About half of the world's workers, most of them women, have little or no social protection and are unable to earn enough to lift themselves out of poverty<sup>6</sup>.

Persisting poor health and education, gender inequality and lack of rights for women, children and people with disabilities in many developing countries all demonstrate that the international effort to reduce poverty and improve the level of human and social development by achieving the MDGs has not been of sufficient scope and focus. The growing awareness of needs in developing countries that are lagging behind in their efforts to achieve the MDGs have led to increased financial flows from public and private donors and the emergence of

---

<sup>6</sup> ILO: Global Employment Trends, Brief, January 2006, p. 11 (Table 4).

new procedures for development, combining budget support with innovative mechanisms for pooling resources and disbursing them fast, predictably and efficiently.

The EC is following a similar path and is strongly committed to implementing the thematic programme “Investing in People” in partnership with other donors and international organisations through global partnerships in order to achieve an even, universal impact on human and social development. The EC's approach to development in this area is based on pursuit of the MDGs – a core element of the EC's new development policy framework “The European Consensus on Development” - and strict adherence by the EC to the international commitments given in the Millennium Declaration and those agreed at the Cairo International Conference on Population and Development, the World Summit for Social Development, the Beijing Platform for Action on Gender Equality and the September 2005 UN Summit.

#### **4. OPERATIONS FINANCED IN THE PAST AND LESSONS LEARNED**

“Investing in People” builds on the knowledge acquired from the previous EC-funded action on human and social development. The previous experience is strongest in the areas of health, especially on sexual and reproductive health, communicable diseases and health-related research programmes, plus gender equality and education, all of which have benefited from EC financial support in the past when both internal and external evaluations were conducted<sup>7</sup>. Lessons on other areas of human and social development have been learned primarily from participation in global policy initiatives and international partnerships and from implementation of regional, pilot and preparatory action. This combination of relevant policy expertise, experience with implementation and awareness of the funding needs provided a starting point for defining the priorities of the thematic programme, allocating funding between them and identifying the preferred means of implementation.

In terms of funding, previous experience shows the need to step up the EC's thematic action on human and social development. The EC budget financing earmarked for this aspect of development in 2003 – 2006 totalled €449.4 million - an annual average of €113 million. Virtually all this funding – 97 per cent - was allocated to health priorities, which received an annual average of €108.8 million, while gender equality received €3 million a year between 2004 and 2006 and education €5 million.

In the health sector particular attention was paid to addressing the three main communicable diseases (HIV/AIDS, malaria and tuberculosis) that severely undermine overall development efforts. This area received about 78 percent of all health funding under the budget line for poverty related diseases, which was channelled through the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), calls for proposals and the European and Developing Countries Clinical Trial Partnership (EDCTP), which supports large-scale clinical trials for development of new vaccines and drugs against HIV/AIDS, malaria and tuberculosis in a number of sub-Saharan countries. The rest of the EC funds were targeted on improving access to health commodities and advancing sexual and reproductive health and rights.

---

<sup>7</sup> Cf. in particular “Second Progress Report on the EC Programme for Action: Accelerated action on HIV/AIDS, malaria and tuberculosis in the context of poverty reduction”, COM (2004)726; Thematic Evaluation of Population and Development-oriented Programmes in EC External Cooperation – 03/2004; Joint Evaluation of External Support to Basic Education in Developing Countries – 09/2003; Evaluation of the integration of gender in EC development cooperation with third countries – 03/2003; Evaluation of the EC cooperation with ACP/ALA/MED countries in the health sector – 07/2002; Evaluation of EC support to the Education Sector in ACP countries – 05/2002.



Given the need to pursue a more coherent and broader approach to human and social development, previous experience indicates that, apart from maintaining the focus on health, the thematic programme must also support action in other areas that can significantly contribute to achieving MDGs. For this reason, the thematic programme for 2007–2013 proposes an almost 30 percent increase in overall average annual financing in comparison with the period 2003–2006 as well as a significant increase in the level of resources available for non-health related thematic interventions. Specifically the thematic strategy proposes to allocate 55 per cent of the total of €1.060 billion available in 2007 – 2013 under the DCI for "Investing in People" to Good Health for All, 12 per cent to Education, Knowledge and Skills, 5 per cent to Gender Equality, 21 per cent to Other Aspects of Human and Social Development and 7 per cent to contingency and administrative costs (unspent funds should be reallocated towards the operational expenses). In comparison to 2003 – 2006, this allocation would represent a 23 per cent decrease in annual financing towards health while the annual funding for education would increase fifteen times and the annual allocation towards gender equality would almost triple. For the first time, the EC would also begin to pursue thematic action in other areas of human and social development, such social cohesion, employment, children and culture with one fifth of all annual spending under Investing in People.<sup>8</sup>

As in the past, the Commission will propose to the ACP partners that the EDF continues to contribute equally to the GFATM over the period 2007-2013, in order to ensure the necessary sharing of resources between the budget and the EDF.

In terms of implementation, the experience acquired over previous years points to the need to strengthen implementation of the thematic programme by supporting strategic action, global partnerships and initiatives of direct benefit to developing countries in their efforts to achieve MDGs. This should be combined with tenders and thematically more narrowly defined calls for proposals. The broad global calls for proposals preferred as a means of implementation in previous years have often led to a large number of stand-alone projects scattered around the globe. While such programmes are able to achieve their specific objectives, they often lack the ability to share experience and stimulate a systemic policy change in a given country.

In line with the shift in EC preference towards providing long-term and predictable development aid through budget or sector support combined with policy dialogue at country and global level, country-focused action and pilot projects should be used primarily in countries with critical indicators where such thematic action can yield effective results with respect to achievement of MDGs. The programme therefore proposes to restrict use of broad global calls for proposals to areas where they can serve as a useful tool for empowering disadvantaged groups and for activities requiring action from representatives of civil society. In these cases, the projects need to be supplemented by efforts to share good practice and feed into country strategies where applicable. Civil society alliances and networks play an important role in this respect.

Apart from the implementing procedures used in previous years, it would be useful to explore the potential for developing new kinds of aid that could be used for pooling resources for large-scale social action and providing awards or other forms of EU recognition.

---

<sup>8</sup> For the detailed proposal, see Annex 7.1: Proposal for allocation of funding under the Thematic Programme "Investing in People" for 2007-2013 (comparison with 2003–2006).

## **5. *RESPONSE STRATEGY***

The response strategy is driven by the objective of providing additional help to the EC's partner countries towards their goal of achieving the human and social development MDGs by financing thematic action that brings added value to country policy response in addition to geographic cooperation. Given the limited resources and the vast needs in the EC's partner countries, the thematic programme must be sufficiently focused thematically, geographically and in terms of the procedures used and types of action supported. It should also ensure that supported activities are pursued in synergy, where possible, with other EC thematic and research framework programmes in order to maximize the impact of Community investment.

Thematically, the programme will cover four main areas identified through consultations as those where the needs of the EC's partner countries are greatest and where thematic action can add value to country and regional programmes. These four areas are (1) good health for all, (2) education, knowledge and skills, (3) gender equality and (4) other aspects of human and social development (employment and social cohesion, children, youth and culture). Interventions in these four areas should take into account cross cutting issues such as gender equality, needs of people with disabilities and environmental protection.

Geographically, and in line with the DCI, the programme will cover all ODA countries but the main focus will be on those with the worst indicators in individual areas of human and social development, as they are in need of most assistance to achieve the MDGs. The level of human and social development and the progress made by countries towards achieving the MDGs is evaluated on a regular basis by the United Nations. Instead of a priori geographical distribution of funds and in accordance with the DCI, the programme therefore proposes to use these evaluations for determining the action to be taken on an annual basis. This will make sure that the EC assistance is continuously targeted at those in most need.

The programme will be implemented primarily through global partnerships and targeted support, where the EC has the ability to pool resources while playing an active role in influencing the style of action. This will include targeted support for public/private partnerships and global initiatives, such as the Global Fund to Fight AIDS, TB and Malaria and the Fast Track Initiative for Education, and also working closely with leading international partners, such as the International Labour Organization (ILO), UN agencies and others. Global action will be further backed up by tenders and thematically narrowly defined calls for proposals.

“Investing in People” will pursue a two-track approach to improving human and social development in the EC's partner countries. On the one hand, the programme will focus on overall improvement of the policy and legislative framework for human and social development, paying particular attention to policy implementation, including the issue of capacity-building, and advocacy. On the other, the programme will provide an opportunity to support pilot country schemes and direct action in countries with the most critical indicators related to individual areas of human and social development. Such country action will be supported both by global initiatives and country-focused programmes. Overall, the strategy will be implemented in line with the commitments made under the Paris declaration on aid effectiveness.

In terms of specific areas of activity, the main focus of “Investing in People” will be on:

- Identification, development, collection and transfer of know-how and best practice across regions, combined with policy development and policy advocacy;
- Improvement of technical and scientific cooperation between countries and regional organisations in order to stimulate participation by the EC's partner countries in international conventions, initiatives and processes and to make progress on compliance with and implementation of the relevant international commitments;
- Support for development action and programmes in situations and regions where the MDG indicators remain critical and the social sectors fall outside the partner country's programmes and where cooperation is suspended;
- Support for “public goods” programmes and other critical programmes that have a direct impact on the ability of the EC's partner countries to achieve MDGs.

### **5.1. Good health for all**

Health is crucial for well-being, learning, work and social activity, for gender equality and for any society's growth and development. Health systems in individual countries and equal access to essential services are a central concern. This is particularly the case in the poorest countries that suffer most from health-related development challenges such as weak health infrastructure, high rates of poverty-related diseases among the population, poor maternal health and unsatisfactory state of environment, all of which contribute to reduced life expectancy. A review of experience brings out the importance of focusing action on health outcomes, whether achieved through the health or other sectors, as well as aiming to foster greater coherence between development and research. Increasing aid effectiveness and improving policy and health-care systems and services are all means to this end. Similarly, the role of international agreements and public private partnerships, such as the International Health Regulations, the Framework Convention on Tobacco Control and the Global Fund to Fight AIDS, Tuberculosis and Malaria, are increasingly needed to respond to the challenges in health.

Article 12 (2)a) of the DCI identifies four key health issues to be addressed through external action. Firstly, there is a need to address the **crisis in human resources in health care** – an issue linked to the need to manage migration of health-care workers better and to strengthen the ability of many developing countries to train, support and retain sufficient numbers of doctors and nurses and other key health-care personnel. The lack of health-care professionals has become a significant barrier to progress towards the MDGs, slowing down efforts to reduce maternal, infant and child mortality and to tackle the main poverty-related diseases such as HIV/AIDS, tuberculosis and malaria.

Secondly, hand in hand with the human resources crisis, there is a need to strengthen Europe's role in addressing the **main poverty-related diseases** such as HIV/AIDS, malaria and tuberculosis with the objective of helping developing countries to achieve universal access to prevention, treatment, care and support for all in need by 2010. HIV/AIDS, malaria and tuberculosis combined with emerging and new health threats continue to undermine the overall development efforts of the international community. The European Union has been at

the forefront of combating these three diseases in previous years. The EC and the EU Member States have worked together to design a comprehensive policy framework, mobilise funding, support programmes and develop effective ways to provide assistance to the developing countries in their efforts to deliver prevention, treatment and care services for their populations affected by the three pandemics. While HIV/AIDS, malaria and tuberculosis will remain at the heart of this segment of the thematic programme, the rising prominence of **neglected diseases and emerging health threats** (such as avian and pandemic influenza) with a significant potential impact on health of populations in developing countries also justifies allocating funding to action in this field along with the use of all relevant WHO instruments, such as International Health Regulations. In close cooperation with activities supported under the 7<sup>th</sup> Framework Research Programme, these thematic funds should serve to accelerate and improve the availability and access to "public goods", including effective, affordable and safe pharmaceutical products, stimulate development of innovative strategies to confront these diseases and improve capacity of institutions and communities to participate in this process. Support for innovative environmental measures (such as addressing water and indoor air pollution) for disease prevention can be also included under this part of the programme.

Thirdly, based on the full Cairo agenda the Community continues to be one of the driving forces in the field of **sexual and reproductive health and rights** (SRHR) – an area directly linked to the other two identified. Thematic action is necessary to address the countries with the worst indicators for sexual and reproductive health (e.g. highest maternal mortality ratios, high rates of unwanted pregnancies in teenage women, high prevalence of HIV/AIDS or other sexually transmitted diseases) and worst status of sexual and reproductive rights of women, men and adolescents in every part of the world, in particular where governments have been unable or unwilling to take effective action on their own. The wide variety of experience from countries in the different regions can be exchanged so that the lessons learnt can be replicated and/or scaled up. Measures on both sexual and reproductive health and rights and on gender equality could reinforce each other. Sound data produced on a regular basis are a precondition for evidence-based action and results-based management and support.

Finally, DCI refers to a balanced approach between prevention, treatment and care. This policy is relevant to all diseases – emerging, communicable and non-communicable. The burden of non-communicable diseases is becoming more prevalent in developing countries, with tobacco related diseases projected to increase significantly over the coming years<sup>9</sup>.

## **5.2. *Education, knowledge and skills***

As outlined in the Article 12 (2)b), The Community is contributing to improving access to education for all children and, increasingly, for women and men of all ages, with the objective of increasing knowledge, skills and employability, contributing to active citizenship and promoting individual fulfilment on a life-long basis. Special attention is being paid to promotion of universal, compulsory, free and quality basic education supplemented by support for higher education exchanges through bilateral or multilateral programmes. Beyond guaranteeing universal primary education and improving opportunities for secondary

---

<sup>9</sup> Mathers and Loncar. Projections of Global Mortality and Burden of Disease from 2002 to 2030. PLoS Med 3(11); [http://medicine.plosjournals.org/archive/15491676/3/11/pdf/10.1371\\_journal.pmed.0030442-S.pdf](http://medicine.plosjournals.org/archive/15491676/3/11/pdf/10.1371_journal.pmed.0030442-S.pdf)

education, developing countries together with the business sector and donors have to focus more extensively on developing a firm framework for vocational education and training (VET).

The first education MDG - gender parity in school education by 2005 – has been missed and difficulties persist in getting girls to schools. Girls and children from hard-to-reach groups make up the 77 million children still out of school. The reasons for this are diverse but show similarities in different countries around the world. The thematic programme should therefore address this area and supplement the existing country action while also offering funding through global initiatives for direct action in countries with the most critical indicators, where such thematic action can effectively yield positive results towards improving enrolment rates. Where realistically feasible the use of information and communication technologies for knowledge dissemination, effective learning and strengthening of educational services should be promoted. Similarly, interventions focusing on sanitation in schools and preventive environmental-health education, in line with the MDG on environmental sustainability and the EU water initiative, can be part of this programme.

The focus on promoting **equal access to quality basic education for hard-to-reach children** should be backed up by thematic action **improving opportunities for vocational education and skills training** (VET). VET forms an important part of the overall education system and plays a key role in giving people an opportunity to gain access to jobs. As such, it is a significant factor for reducing poverty. It offers an opportunity for a wide range of people of different ages to acquire technical skills and increase their employability. In order to develop a solid framework for delivery of VET connected to the rest of the education system, a strong partnership is needed between representatives of the private sector, the government and the educational institutions. With the ongoing globalisation of production and markets, the international community has begun to foster development of such partnerships as a way of identifying best approaches to strengthening VET in developing countries. The EC should play an active role in this area.

### **5.3. Gender equality**

Promotion of **gender equality and women's rights**, as laid down in Article 12(2)c) of the DCI, is not only crucial in itself - it is a fundamental human right enshrined in the European Convention on Human Rights and a core issue at the heart of social justice - but also instrumental in achieving all MDGs and in implementing commitments such as those spelled out in the Beijing Platform for Action, the Cairo Programme of Action and the Convention on the Elimination of All Forms of Discrimination Against Women. Consequently, gender concerns and issues such as girls' and women's access to knowledge and skills, sexual and reproductive health and HIV/AIDS services and information, social protection and employment, environmental protection, access to decision-making and full enjoyment of socio-economic rights should be part of all relevant thematic action. At the same time, the urgency of the issue requires that the thematic programme must allow separate special support for promotion of women's rights and empowerment, with a particular focus on improving literacy among adult women.

Apart from Article 12 (2)c) of the DCI the overall action in this field will eventually be also guided by the forthcoming communication on gender equality in development cooperation. The preparations for this policy framework indicate that thematic action would be particularly

effective in addressing inequalities in countries where women's lives are shaped by customary law often used to justify discriminatory practices. The thematic programme can stimulate dialogue, allow exchanges of experience and provide support for policy formulation and advocacy with respect to key policy areas addressing the issue of gender inequality. This is particularly relevant in cases where government partners are reluctant to address the issue or there are no cooperation frameworks and where addressing the issue of gender inequality can have a major impact on tackling other leading development challenges.

The EC has participated in ground-breaking work to address the question of how the new aid procedures which it is spearheading will be effective for women and for promoting gender equality. Gender-equality budgeting, which the Community has actively promoted in recent years, is a critical tool in this regard. The 2008 OECD Ghana Conference to revise the Paris Declaration on Aid Effectiveness will provide a critical forum where the success of budget support will be assessed. One question will be whether new aid procedures have resulted in positive trends towards gender equality budgeting by the EC's partner countries. The Commission will continue to support gender-equality budgeting. In addition, efforts to make an evidence-based assessment as input to the Ghana Conference will be supported.

#### **5.4. *Other aspects of human and social development (employment and social cohesion, children, youth and culture)***

The different areas of action concerning the fourth pillar on "other aspects of human and social development" are set out in Article 12 (2)d) of the DCI.

##### **5.4.1. *Promoting social cohesion, employment and decent work*<sup>10</sup>**

In this age of globalisation, open markets, economic and job competition, integrated value chains and rising inequality between and within countries and social groups, there is growing interest in the Community's economic and social approach and its interactions with developing countries. Addressing inequalities and promoting social cohesion and fostering the decent work agenda and employment form an important new theme in the Community's external relations, trade and development policy. Promoting an integrated approach that combines economic competitiveness with social development is the most effective way of erasing social inequalities and reducing regional asymmetries.

Sub-standard working conditions, ineffective labour markets and shortage of skills and training pose severe challenges to sustainable economic growth, productivity and integration into the world economy and carry a high risk of poverty. In many countries the rights, health and safety of workers are not sufficiently protected, social security systems are scarce, unequal or under-funded, and children are in work instead of in school. Women are under-represented in the formal sector, and receive less pay, protection and benefits, such as health care.

---

<sup>10</sup> Decent work is the focal point of four strategic objectives, namely creation and availability of employment, rights at work, social protection and social dialogue. The overarching objective of decent work is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity.

In response and in line with Article 12 (2)d)(ii) of the DCI, the thematic programme can add most value to the country programmes and activities of other donors by concentrating on developing methods to monitor and assess progress on employment, decent work and social cohesion in the EC's partner countries, identifying good practice and supporting a global policy dialogue between governments, social partners and other relevant stakeholders operating in this area. The mid-2008 follow-up to implementation of the decent work communication would be a major rallying point and opportunity for the EU to demonstrate its commitment in this area. Many of the activities should be implemented in partnership with the ILO and/or other appropriate partners.

#### ***5.4.2. Protection of children and youth and promotion of participation by children and youth in development***

Investing in children and youth is investing in the future. The Convention on the Rights of the Child is the most widely ratified convention and there is (almost) universal acceptance that protection of children's rights should be central to any development process. Nevertheless, violations of children's rights, such as child labour, are still widespread in some areas, while problems such as child trafficking are still insufficiently addressed in others.

The very high child and youth populations in developing countries present both challenges and opportunities. Children and youth are particularly vulnerable and their rights and interests need special attention, starting with participation and empowerment and including promotion and protection of their rights, health and livelihoods. Healthy and educated children and youth, enjoying their basic rights, are an opportunity. Adolescents and youth are a key target group for activities promoting the Cairo agenda. Education, knowledge and skills equip them to participate in the labour market and society at large. Protection of children's rights along with gender equality is therefore an issue that should be addressed in all relevant thematic action but which has to be further strengthened by separate action focusing in particular on prevention of all forms of child labour and other forms of exploitation such as trafficking and violence.

In response to this need and in accordance with Article 12 (2)d)(iii) of the DCI, the thematic programme will focus on four areas: a) global monitoring and policy advocacy for child protection and the rights of children, b) strengthening of participation by children, c) support for pilot country programmes for reintegrating affected children and d) promotion of policies to support productive employment and decent work for youth.

#### ***5.4.3. Access to local culture; protection and promotion of cultural diversity***

As reflected in Article 12 (2)d)(i) of the DCI, the role of culture in development cooperation as an instrument of human development and an essential dynamic element of identity-building and self-esteem, resulting in social cohesion and economic growth, particularly in this age of globalisation, will be considerably reinforced. Globalisation offers an opportunity, but also threatens cultural diversity, notably for indigenous people, ethnic minorities or marginalised populations. Current developments at international level, particularly the adoption of the UNESCO Convention on the Protection and Promotion of Cultural Expressions in 2005, and the increasing demands of partner countries in this field require a response from the Community.

In this respect, the thematic programme should support activities aimed at protecting and promoting cultural diversity, especially as a way of promoting multiethnic and multicultural

dialogue. Careful assessments will be made to ensure that inequalities in countries where the lives of women are shaped by customary law often used to justify discriminatory practices are not perpetuated by promoting traditional cultural expressions and that gender equality advocates can raise their voices through cultural channels.

The programme will also promote access to culture for all by strengthening local cultural capacity (cultural industries and activities, governments and non-state actors), promoting private/public partnerships, supporting intercultural dialogue at all levels, promoting South-South cooperation, supporting preservation of both the material and immaterial cultural heritage, supporting establishment of networks for exchanges of expertise and good practice, and supporting training and professionalisation of the sector. This programme should be implemented in close cooperation with EC delegations and the relevant international organisations.

## **6. *THE MULTI-ANNUAL INDICATIVE PROGRAMME FOR 2007–2010***<sup>11</sup>

The distribution of funds will be guided by the overall importance of each of the four areas for achieving the MDGs. In this respect, addressing the needs of the EC's partner countries which are furthest from achieving the MDGs in the area of basic social services – especially health – is a major priority for the thematic programme. 55 percent of the overall budget will be allocated to Good Health for All, 12 percent to Education, Knowledge and Skills, 5 percent to Gender Equality and 21 percent to Other Areas of Human and Social Development. €3 million a year should be reserved for contingency measures in response to special unforeseen circumstances that will be defined annually prior to preparation of the annual action programmes. €42.4 million of the overall budget for the programme should be reserved for administrative expenses<sup>12</sup>.

The overall objective of the programme is to help the EC's partner countries to improve their level of human and social development by achieving the MDGs. Priority is given to the countries with the most critical indicators on human and social development, although, for the sake of transfer of expertise and innovative approaches, other countries that have made successful progress in a particular field of human and social development should also participate where relevant. The programme makes a special case for ENPI countries. In article 38 of the DCI, a total indicative amount of EUR 465 million has been foreseen for thematic programmes to finance activities that benefit ENPI countries. In line with this article, funding of EUR 63.495 million has been foreseen for ENPI countries in this thematic programme. The programme should be implemented on the basis of targeted action, joint management activities and tenders, with calls for proposals reserved for areas which require direct involvement of civil society representatives.

---

<sup>11</sup> According to the Article 20 of the DCI, a multi-annual indicative programme is not compulsory but it is included for the sake of transparency and planning.

<sup>12</sup> Management and support expenditure will be charged on line no. 21 01 04 01. This amount may be used to cover supplementary staff over the whole period, estimated in total at 775 FTE (full-time staff equivalent) for the seven relevant instruments for external assistance - European Neighbourhood and Partnership Instrument (ENPI), Instrument for Stability (IfS), European Instrument for Democracy and Human Rights (EIDHR), Instrument for Nuclear Safety Cooperation (INSC), Industrialised Countries Instrument (ICI), Development Cooperation Instrument (DCI) Instrument for Pre-Accession Assistance (IPA) - , on top of existing staff in place as of 01/04/2006. The estimates of needs in human and administrative resources should be covered within the budget allocated to the managing DG within the framework of the annual allocation procedure.



Helping the EC's partner countries to achieve the MDGs requires sufficient levels of available funds. For this reason, the programme should seek opportunities to pool resources with other donors at global level where possible, while ensuring that such resources strengthen country action compatible with the goals of the thematic programme. Simultaneously, the programme should also provide a platform for direct country action, especially in policy areas where wide participation of civil society representatives is required as a way of stimulating country advocacy, policy dialogue and policy implementation.

Overall the programme strives to provide support for activities leading to improvements in the level of human and social development, as measured by the progress made towards achieving the MDG indicators. Specific suggestions for action and expected outputs are described under the individual thematic areas and listed in more detail in the annexed summary of objectives, action, results, implementing procedures and indicative financial allocations for 2007–2010<sup>13</sup>.

The success or failure of the programme as such should be measured on the basis of whether or not it has brought about a visible improvement in individual areas of social and human development – such as greater and more equal access to basic services demonstrated by lower mortality rates and better access to prevention and treatment for major communicable diseases, a higher degree of gender equality reflected in national policies and legislative frameworks, better prevention of child labour and others. The progress of regress of individual countries and regions is assessed on annual basis on the grounds of MDG indicators by the United Nations<sup>14</sup>. These indicators should be taken into consideration when conducting overall evaluation of the programme. A summary of the expected impact, including a list of additional proposed indicators, is annexed to this document<sup>15</sup>. Specific indicators for individual programmes should be set out in annual action programmes.

### **6.1. Good health for all**

In line with Article 12 (2)a) of the DCI, good health for all is a key area of the thematic programme as the ability of the EC's partner countries to provide health care, address communicable diseases and reduce mortality rates is a key precondition for achieving progress in other areas of human and social development. It is also one of the areas where the EC has gained most experience in the past and has built up strong credibility and leadership. This is particularly the case in the field of major communicable diseases (HIV/AIDS, malaria and TB), where coordination between research and development has been crucial, and with promotion of sexual and reproductive health and rights. Consequently, the financial allocation to this area will be 55 percent of the total budget available for the thematic programme. A large proportion of the funds will be targeted at the efforts by the EC to help its partner countries to address HIV/AIDS, malaria and TB, followed by promotion of sexual and reproductive health and rights, programmes addressing the human resources crisis in health care and action targeted at advocacy, prevention and treatment of neglected or emerging diseases.

The action under this part of the programme will depend on the nature of the issues tackled. For the **major communicable diseases**, the programme should be implemented by means of

---

<sup>13</sup> Annex 7.2: Summary of objectives, action, results, implementing procedures and indicative financial allocation for 2007–2010.

<sup>14</sup> [Http://mdgs.un.org/unsd/mdg/Home.aspx](http://mdgs.un.org/unsd/mdg/Home.aspx)

<sup>15</sup> Annex 7.3: Summary of expected impact on individual priority areas.

the contribution to the Global Fund to fight HIV/AIDS, TB and malaria, which allows pooling of global resources, fast and efficient disbursement of the funds on proposals developed through inclusive country planning and EC leadership in guiding the activities of the organisation. The only exception should be the ENPI funds, where funding should be disbursed through calls for proposals and to the benefit of ENPI countries. Action on the major communicable diseases will be supplemented by allocating funding to programmes addressing “**neglected**” **diseases and emerging health threats** with a significant potential impact on health of populations in developing countries. The funding for this area will be channelled through global partnerships other than the Global Fund that have been created to improve access to prevention, care and treatment, including the development of new preventive technologies and medicines, in developing countries through preparedness, advocacy and provision of health commodities.

For the two remaining areas – the **crisis in human resources for health care** and **sexual and reproductive health and rights** - the approach will be somewhat different, given the nature of these two areas, which require more focus on policy, advocacy and capacity-building than on delivery of global goods.

Due to the primacy of geographic cooperation, the majority of the resources needed to support country action on human resources will come from Member States and from financing decisions taken at country level. Thematic financing should therefore be used for global and regional action identified in the Action Plan scheduled to be adopted at the beginning of 2007. The resources should be used to support policy development, advocacy and implementation activities leading to creation of an overall policy and legal framework for management of health workers' migration and strengthening the capacity of developing countries to train, support and retain sufficient numbers of health professionals. The resources can also be used for capacity building and training regarding international agreements in health. The action should be implemented primarily through global partnerships such as the Global Health Workforce Alliance hosted by the WHO, tenders and calls for proposals where involvement of civil society is crucial for the success of the EC action in this field.

As for the area of **sexual and reproductive health and rights**, thematic action is necessary to address countries with worst indicators for SRHR of women, men and adolescents as well as in countries where governments have been unable or unwilling to take effective action in the area of SRHR on their own. The wide variety of experience from countries in the different regions can be exchanged so that the lessons learnt can be replicated and/or scaled up. Measures on both sexual and reproductive health and rights and on gender equality should reinforce each other. Sound data produced on a regular basis are a precondition for evidence-based action and results-based management and support. As with human resources in health care, action in this area should be delivered through global partnerships, tenders and calls for proposals.

## **6.2. *Education, knowledge and skills***

In line with the Article 12 (2) b) of the DCI, education, knowledge and skills is a second key priority area under the thematic programme, with the focus on promoting equal access to quality basic education for hard-to-reach children and improving opportunities for vocational education and skills training. 12 percent of the total budget available for the thematic

programme will be allocated to this area, with at least 60 percent targeted on basic education – a key area for success in other development fields, along with basic health.

The thematic action on **promotion of equal access to quality education for hard-to-reach children** should be based on a two-fold strategy. Firstly, the programme should focus on improving policy and the legislative framework as well as capacity-building with the objective of improving the overall environment for educational reform that would ensure high enrolment rates, equal access to education and the quality of curricula and teaching. This part of the programme should therefore target relevant governmental bodies and stimulate development and transfer of experience, best practice, innovation and technical assistance concerning policy issues such as financing of education, development of incentive schemes for higher enrolment rates, improvement of quality assurance and evaluation mechanisms and innovative approaches to decentralisation challenges. Innovative links to science and technology will be sought to strengthen incentives for wider access of hard to reach children to education and knowledge as a way out of marginalization and poverty.

The policy approach designed to stimulate systemic changes in the education sector at country level must, however, be combined with practical action allowing immediate improvements in equal opportunities for access to education in countries with particularly critical MDG indicators. In order to be able to monitor progress and fine-tune action in future, support for existing global monitoring instruments should underpin this two-fold approach. The policy approach should be implemented through tenders or a direct agreement with a relevant international organisation. For practical action to improve enrolment rates among hard-to-reach children, the programme should explore the opportunities of working through global partnerships such as the Education for All – Fast Track Initiative or of establishing an education facility that would lead to pooling of resources and thus more robust support in this area.

The focus on basic education should be supplemented by thematic action **improving opportunities for vocational education and skills training (VET)**. The thematic action should attempt to address the following identified weaknesses:

- Lack of VET enabling development of higher productivity and use of technology; poor links between formal training and the labour market;
- Few VET courses address the needs or training potential of the informal economy;
- Lack of information on the labour market to inform provision of skills;
- Insufficient awareness and participation on the part of key stakeholders (industrial training organisations, employers' organisations, trade unions, grassroots organisations in the informal sector, women's groups, etc.) in decision-making on countries' development strategies.

In response, the thematic programme should work primarily through direct agreements and tenders and support activities allowing exchanges of best practice and approaches to support VET for those working in both the formal and the informal economy, and especially with a particular focus on women and youth, transferred and tested through pilot programmes with the objective of stimulating systemic change in VET at country level.

### 6.3. *Gender equality*

The strong focus on gender equality as a cross-cutting issue in all other areas of the thematic programme must be further strengthened by a separate activity financed with 5 percent of the overall available budgetary resources. In line with Article 12 (2)c) of the DCI, this part of the thematic programme should focus primarily on policy development, advocacy and monitoring. In order to achieve the desired impact, the programme should operate at both global and country levels. At global level, the programme should support activities stimulating a political commitment to promotion of gender equality and policy, legislative and financing initiatives creating fair and equal opportunities for men and women. The global approach should be reinforced by action at country level that would improve the capacity of civil society representatives - especially women's NGOs and associations - to advance the gender equality agenda through monitoring, advocacy and participation in country policy dialogue. While the action at global level should be implemented primarily through direct agreements or tenders, the country action should be implemented through calls of proposals in order to allow broad participation by NGOs. As with other areas of the thematic programme, the focus should be on the countries with the most critical indicators, and especially on countries where women's lives are shaped by customary law often used to justify discriminatory practices and where government partners are reluctant to address the issue or there are no cooperation frameworks and where addressing it can have a major impact on tackling other leading development challenges. ENPI funds will be to the benefit of Mediterranean countries, where most effort is needed.

### 6.4. *Other aspects of human and social development (employment and social cohesion, children, youth and culture)*

As outlined in Article 12 (2)d) of the DCI, this area of thematic action covers a relatively wide range of issues that contribute to achieving the MDGs. Consequently, 21 percent of the total budgetary resources available will be allocated to this area. Most of the funding will be targeted at protection of children and youth and promotion of participation by children and youth in development, followed by promotion of employment, decent work and social cohesion. The smallest amounts will be allocated to initiatives stimulating access to local culture and to protecting and promoting cultural diversity, where activities will be shaped by the forthcoming communication on culture in development.

Given the relatively limited previous experience in all three areas, thematic action should include support for initiatives that lead to a better EC understanding of the main issues and improve the capacity of EC staff to design programmes and pursue policy dialogue at country and global levels. This is particularly the case with **protection of children and youth and promotion of participation by children and youth in development** and with **promotion of employment, decent work and social cohesion**, where both mapping and assessment of existing problems and development of capacity-building programmes for EC staff in delegations should be encouraged. Other action should include support for initiatives aiming to improve existing policy and the country and global legislative frameworks in the two areas, to share expertise on implementation of such policy frameworks and international commitments, including support for pilot projects. Activities on employment, decent work and social cohesion should be delivered primarily through direct agreements or tenders. For the other component - protection of children and youth and promotion of participation by

children and youth in development – calls for proposals should also be used as an implementing procedure.

In the area of protection and promotion of cultural diversity, the programme should focus both on governance of the cultural sector through development of policies that allow better access to and preservation of local culture and on offering opportunities for cultural exchange and strengthening contacts between cultural actors as a way of allowing multicultural and multiethnic dialogue aimed at the improvement of mutual understanding and respect, and preservation of local and indigenous culture and values. This component of the thematic programme should be implemented primarily through direct agreements and calls for proposals conducted in close collaboration with EC delegations.

### ***Annual indicative financial allocations***

The annual indicative financial allocations proposed in Annex 7.2 are based on combining the overall annual indicative amounts of available resources with the percentages proposed for individual thematic areas. For 2007 the programme proposes to focus on action that can be implemented primarily through direct agreements in order to ensure that the 2007 funds can be used promptly, leaving more time for preparation of the annual action plan for 2008.

## **7. ANNEXES**

- 7.1 Proposal for allocation of funding under the Thematic Programme “Investing in People” for 2007–2013 (comparison with 2003–2006)
- 7.2 Summary of objectives, action, results, implementing procedures and indicative financial allocations for 2007-2010
- 7.3 Summary of expected impact on individual priority areas